



Amy L. Alvarez
District Manager
Federal Government Affairs

Suite 1000
1120 20th Street, NW
Washington DC 20036
202-457-2315
FAX 202-263-2601
email: alalvarez@att.com

September 5, 2002

Via Electronic Filing
Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Application by Verizon New England and Verizon Delaware for Authorization to
Provide In-Region, InterLATA Services in New Hampshire and Delaware,
Docket 02-157

Dear Ms. Dortch:

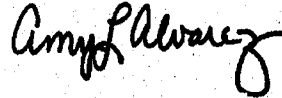
On September 4, 2002, Michael Lieberman and the undersigned, both of AT&T, had a telephone conversation with Richard Kwiatkowski, Julie Saulnier and Victoria Schlesinger of the Wireline Competition Bureau's Pricing Policy Division. The purpose of this conversation was to discuss non-loop rate benchmarking for New Hampshire and Delaware. In particular, AT&T discussed Verizon's revised rates for Delaware that were filed with the Commission on August 30, 2002. AT&T explained that Verizon had not produced the spreadsheets or other workpapers underlying Attachment 2 to Verizon's August 30 ex parte filing and Verizon's claim that its nearly reduced switching rates in Delaware are now below Verizon's New York switching rates on a cost-adjusted basis; that the results of Verizon's benchmark analysis could not be replicated with the limited information produced by Verizon; and that AT&T's own calculations indicated that the reduced rates still failed a benchmark comparison with New York.

In addition, AT&T also raised concerns about Verizon's rate development for New Hampshire, and the apparent discrepancy between the time-of-day weights that Verizon claims to be representative of the average customer and the time-of-day weights used to develop the underlying cost study. Specifically, the time-of-day weights used in the state proceeding and subsequently submitted in the federal proceeding appeared to reflect the unusual pattern observable in the usage-related rate elements in which evening rates are higher than daytime rates. In contrast, the time-of-day weights Verizon recently introduced show heavier day usage vis-à-vis the evening and night. This discrepancy raises the issue

of whether the assumed usage profile underlying the current rates in fact accurately reflects the aggregate demand that TELRIC principles dictate.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in cursive script, appearing to read "Amy L. Alvarez".

cc: Richard Kwiatkowski
Gary Remondino
Julie Saulnier
Victoria Schlesinger
Henry Thaggert
Tracey Wilson
Ann Berkowitz (Verizon)